Smuggling of Containers from Kochi Port

3479. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether any instance of smuggling of containers from Kochi port in Kerala by defrauding Customs and Central Excise has been brought to the notice of Government;

(b) whether Government have conducted any inquiry into the matter and if so, the outcome of such inquiry thereof;

(c) whether Government suspect any rackets behind forgery and whether the defrauding affects the internal security of the country; and

(d) whether Government are considering that the existing system of clearance procedure requires modifications in view of the above incident and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) DRI Regional Unit, Cochin have recently detected a case where there three containers of imported goods have cleared without following the proper Customs procedure and without payment of appropriate duty. Evidence collected, so far, indicates that at least one document i.e. container cell certificate, covering the movement of the container from the Port area appears to have been tampered with. Investigations revealed that the containers taken out without payment of appropriate duties contained compact fluorescent lamps, dry cell batteries and floor tiles of Chinese origin, which are leviable to high rates of antidumping duties. The motive behind this *modusoperandi* appears to be evasion of duties and not to breach internal security. Two persons have been arrested in this case.

(d) Procedure in existence has been reviewed by Cochin Customs House to prevent malpractice like tampering and/or forgery of documents. The steps taken include physical escort of the containers and safeguards introduced into the Electronic Data Interchange (EDI) System to track the movement of containers.

Tax on Salt

3480. SHRI A VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that salt is still taxed by the Centre and State

Governments in the form of sales tax, rent as land given to salt pans, royalty etc.

(b) if so, the details of above tax, royalty etc. imposed on per metric tonne of salt and rent collected per annum, per acre of land given to salt pans for last three years, year-wise, State-wise and category-wise;

(c) whether steps will be taken to exempt salt from tax in the light of Seventy fifth anniversay of "Dandi March".

(d) if so, details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) The information is being collected and will be laid on the Table of the House.

Financial crunch in Bihar

3481. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Bihar is facing financial crunch;

(b) if so, what contingency and long-term plans are being made to meet the situation; and

(c) the details of suggestions/requests received by the Central Government in this regard; and the action taken thereon so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Twelfth Finance Commission (TFC) has not assessed the State of Bihar as a revenue deficit State.

(b) Does not arise. TFC has recommended total transfer of estimated share in taxes and grants during 2005-10 of Rs. 75,646.83 crore for Bihar.

(c) No specific request has been received from the State in this regard.

Powers to excise authorities to attach assets

3482. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to arm excise authorities with powers to provisionally attach assets including property when assessments are still in process;

(b) if so, whether a separate Bill to this effect is being introduced in Parliament; and